



Planning for a Second Marriage

Willard VanderPloeg

In my work I regularly see people who have found a new marriage partner later in life. Such a "fresh start" can be very fulfilling, but it can also give rise to many challenges. Apart from the practical problems of merging two households, there are some very significant legal and financial considerations that arise from a second marriage later in life.

One of the immediate consequences of remarriage is that existing Wills are terminated. Without a proper Will, most provincial laws stipulates that much of the estate goes to the surviving spouse – even if the second marriage was short. In Ontario, a surviving spouse gets the first \$200,000, so for many of our clients, that would mean that virtually everything would go to the spouse, leaving nothing for the children.

It's important for couples with children marrying later in life to plan their Wills with a balanced approach. Excluding either the spouse or children is usually a poor solution.

A useful recommendation is to designate some or all assets in trust for the spouse, and invest them. The 2nd spouse is entitled to the income from them for his or her lifetime. Upon the death of the 2nd spouse, the investments then pass to the children of the first spouse. This strategy makes certain the inheritance of children, while ensuring financial security for the survivor's lifetime.

The marriage home must be given consideration in the Will. Usually, it is owned by one of the spouses and represents a substantial portion of his/her estate. A popular solution is to provide in the Will that the surviving spouse be permitted to remain in the home for the rest of their life – or to have the income from an equivalent asset. Again, when the survivor passes

away, the house is passed on to the owner's children. This balances the interests of both spouse and children.

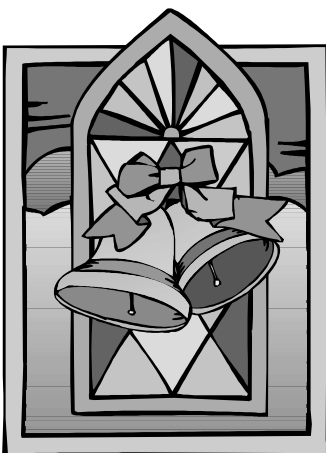
Some estate and financial planning is also needed. Typical forms of financial arrangements between spouses, such as joint ownership of homes and investments are generally, not appropriate. These approaches need to be re-thought, or there could be serious financial and family consequences. Retaining separate ownership of assets is typically best in a second marriage situation. By maintaining separate ownership where appropriate, administration of the estate may be simplified.

In addition to Wills and estate and financial planning exercises, a marriage contract can be valuable. Such contracts deal not only with the division and distribution of assets at death but also protect the interests of both spouses should the new marriage fail. Despite the best intentions, not every second marriage is permanent.

In my work with clients in this situation I recommend that they share their planning goals and process with the children in order to reassure them about finances – and their inheritance.

Christian Stewardship Services' staff can be of assistance in your planning process. We'll help design Wills that strike a good balance between caring for your spouse and preserving children's inheritance. We'll also examine ownership of your home and other assets to ensure there are no conflicts with your Will. When you're at the lawyer to have your Wills and Powers of Attorney drafted, confirm that none of your plans conflict with applicable law. If conflicts do exist, consider a marriage contract to reinforce your plans.

CSS staff are pleased to assist in your planning, together with your lawyer and financial advisor. If we can be of service, please contact us at (800) 267-8890.



2000 – 2001 CSS Travel Dates

Alberta:

Nov. 6 - 17

Feb. 5 - 16

Apr. 2 - 13

British Columbia

Nov. 28 – Dec. 7

Feb. 5 - 15

Apr. 2 - 11

Manitoba

May 1 – 8

Eastern Canada

May 7 – 18

Saskatchewan

Nov. 15 – 17

Ontario - throughout the year – call for details!

Watch Your RRIF Withdrawals!

Some retirees are caught unaware when it comes time to start making annual withdrawals from their Registered Retirement Income Funds (RRIF).

In some cases, perhaps to finance an extended vacation, they are withdrawing more than the minimum amount, only to find that on top of a large income tax liability the following April, their Old Age Security (OAS) payments are reduced.

The rule is that once your net income for the year exceeds \$53,215, your OAS benefits for the following year will be reduced by 15 cents for each dollar of income above that threshold. A few years ago, this reduction was taken in the form of a “claw back” when you completed your tax return for the year. Since 1998, these reductions are made directly to your OAS payments.

In order to avoid the OAS benefit reduction in future years, you should make sure that your withdrawals do not cause your income to exceed the \$53,215 threshold in any given year. If you want to withdraw a lump sum for holidays or some other purpose, you may be able to reduce the tax bite and minimize or even eliminate OAS reduction by withdrawing part of the money one year and the balance in the following year.

What do they see?

Henry Eygenraam

Recently I had occasion to join the folks who were gathered for Christian Horizons’ annual meeting, at which they celebrated 35 years of work, growth and blessings from the Lord in loving service to “special people”.

During the dinner, I sat with some charming people who made me feel most welcome. One of the discussion topics was the bad experience one family had with their child in a local Christian School. They related the frustrations and unresolved issues of personality and organization. There were general statements of condemnation of the whole concept of Christian Education even though they did acknowledge some good was happening at the school as well.

I judged that these people were not being uncharitable, at least I did not find them so during the time we spent together. They were however people turned off by a bad experience with a system or a person. I could not judge if the events were real or perceived but they certainly experienced them as having great impact on them as a family.

As some of you know I have a large warm place in my heart for Christian Education. I can tell you that I listened with sadness to the story and wondered what might have been done and what opportunities had been missed. An unfortunate truth is that stories of dissatisfaction seem to get wider circulation than stories that express appreciation for the good that is done every day.

One of the after dinner songs had the title, “**When the world looks at you, what does it see?**” The lyrics ask if it sees Jesus? Do we reflect the One who we belong to?

In light of the earlier discussion I reflected on the story and the song. I found myself speculating, “What do people see when they look at me? When they look at CSS?”

The Olympics have been much in the news of late. As the athletes competed in Australia they wore the colours of the country they represented.

Continued. . . .

I thought this metaphor would be good for us to reflect on at CSS as we engage in Strategic Planning. Part of

this process involves asking a lot of people about their perceptions: past, present, and future.

The planning process gives us the opportunity to stop and reflect, to celebrate what we are and the things we have received through the Grace of God. A chance to consider what still needs attention in order to be able to serve better. As we move into the fall and winter seasons and involve ourselves in various programs and ministries, how can we better align ourselves with the One who sends us?

The opportunity to reflect on these things is as good for our organizations as it is for us as persons. Herein lie a challenge and the rewards of service. One thing we know. As we try to look more like Him, those around us will have a positive perception of the One we serve.

As I mentioned earlier, these thoughts were born at a Christian Horizons' annual meeting. I gained perspective on what they were celebrating at their 35th anniversary. They demonstrated that this is a well-run organization.

Even more important I saw how this organization has grown from "an idea about a need" 35 years ago, to an institution that presently operates over 140 housing units for developmentally handicapped persons serving over 800 people. The Lord has obviously blessed their best efforts and it shows!

My hope is that we all personally and corporately, in our various ministries, reflect this well on the Master.

Hearses and U-hauls

From Moneywise Meditations, John H. Rudy

"Who says you can't take it with you?" That's the question my friend Mose Slabaugh in Virginia once asked. He pictured a hearse pulling a U-haul trailer.

Now, of course, both Mose and I are familiar with the apostle Paul's words in 1 Timothy 6:7, "We brought nothing in this world, and it is certain we can carry nothing out" (KJV).

It's no secret that both Mose and I came into this world with nothing. No clothes. No bank accounts. No deeds. No stock certificates. No business interests.

And that's exactly the way we'll leave. With nothing. No baggage at all. We're only in charge of a few things for a while.

Maybe the only thing we can do is to make some deposits in our heavenly accounts now. Jesus told us to "lay up treasures in heaven." Maybe we do this by using our money and our time and all of our resources to help people. To share with those in need. To communicate and live God's message. To be the serving presence of Jesus wherever we find ourselves. To dedicate ourselves to the will and purposes of God.

Don't depend on the hearse and the U-haul. Take time now to plan the effective use and distribution of your possessions.

To order your "Moneywise Mediations" book, for only \$7.50 each, contact the CSS office today. (A limited number of copies are available.)

advancing stewardship

The information provided comes from various sources believed to be reliable. Accuracy can not always be guaranteed. It is not intended to replace professional advice. Consult our staff or your other professional advisors to determine if the information applies to your particular circumstances. This newsletter is copyright but may be freely used in appropriate ways by sponsor organizations of CSS.

Christian Stewardship Services

315 – 600 Alden Road, Markham, Ontario L3R 0E7

Toll-free in Canada: 1-800-267-8890
Phone: (905) 947-9262, (416) 410-5719
Fax: (905) 947-9263
Email: admin@cssservices.ca
Website: www.cssservices.ca

A. Henry Eygenraam, CFP, CLU, CH.F.C.
Executive Director

Willard VanderPloeg, BCS
Representative & Editor



Gifts of Securities

Be generous with what God has entrusted!

You've worked hard all your life. You've cared for the people you love and for whom you have some responsibility. You've supported the Lord's work with faithful donations. Now comes the time when you may be asking yourself, "What will be my legacy? To whom will I entrust the use of the assets I have gathered over the years?"

Making Gifts of Securities to your favorite charity(ies) is one of the best ways you can leave a lasting legacy of compassion for those they serve. It's a declaration of confidence in their work that will live on. It is also an excellent way to minimize your tax obligations.

By donating publicly traded shares, you pay only half the capital gains tax normally associated with such a sale. Paul Martin's 2000 federal budget has reduced the capital gain on such dispositions to 66.66% from 75%. That means you receive a tax receipt for the full value of the shares and need now only take 33.33% of the capital gain into income.

The 2000 federal budget also extended the same opportunity to those who exercise stock options through employment. Securities acquired in this way may be gifted to charity in order to reduce or eliminate resulting tax – an excellent opportunity to support the Lord's work!

The special tax benefits for these gifts will only be

available for donations made before Dec. 31, 2001, at which time it will be reviewed by federal authorities. So, the time to take advantage is limited.

Eligible securities include shares, bonds, bills, warrants, futures, units in mutual trust funds, and shares acquired through employee stock options listed on a Canadian stock exchange or on certain foreign exchanges.

To give a Gift of Securities, a number of steps are necessary.

1. Contact the charity(ies) you choose to support and advise them of your intended gift. Get the details regarding their brokerage account for your securities broker. Ask if they are familiar with such a gift as well.
2. Instruct your broker to transfer the securities to the charities brokerage account.
3. Advise the charity that the transfer is complete and confirm the value of the securities at closing, the day the gift is made.

If the charity you wish to benefit is not familiar with a securities gift or does not have a brokerage account, Christian Stewardship Services may be able to help you. CSS is able to receive gifts of securities easily and will distribute the proceeds to the organizations of your choosing, provided they are registered charities.

For an information bulletin on Gifts of Securities or to find out more about how CSS can help you make such a gift, contact the CSS office at (905) 947-9262 or complete and send the information request below.

Request for Information:

mail or fax to:

Christian Stewardship Services 600 Alden Road, Suite 315 Markham, Ontario L3R 0E7 Fax: (905) 947-9263

Please provide the following:

- | | |
|--|---|
| <input type="checkbox"/> More information on the work of CSS | <input type="checkbox"/> Information on Gifts of Securities |
| <input type="checkbox"/> Information on making a Will | <input type="checkbox"/> Information on RRSP/RRIF Gifts |
| <input type="checkbox"/> Have a representative call to arrange a visit | <input type="checkbox"/> Information the CSS Endowment Plan |
| <input type="checkbox"/> Information on Charitable Gift Annuities | |

Name (s) _____

Street _____

City _____ Prov. _____ Postal Code _____

Telephone _____